



**Office of the Mayor
The City of Harrisburg**

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Mayor

THE STATE OF THE CITY ADDRESS BY THE HONORABLE STEPHEN R. REED, MAYOR OF HARRISBURG, WEDNESDAY, MARCH 26, 2003 AT NOON AT THE HARRISBURG HILTON HOTEL AND TOWERS BEFORE THE HARRISBURG REGION CHAMBER OF COMMERCE

Your Excellency, Lieutenant Governor Knoll, Chairperson Cocheres, President Black, Chairman Balthridge of the Lancaster Chamber, Waypoint Bank President Zuern, Mr. Johans, Chairman Haste and Commissioners Henry and Petrucci, Chairperson Besch of Cumberland County, City Council Members House, Banks, Reynolds, Thompson and Wright, Mayor Hartwick, Commissioners Spagnolo, Starks and Bowman, City Treasurer Wambach, City Controller McCarthy, Chamber Officers and Members, Dr. Kohn, Members of the School Board of Control, Ladies and Gentlemen

Our thanks are extended to the Harrisburg Regional Chamber of Commerce for continuing to hold this annual event. The City is a longstanding member of the Chamber and a founding partner of its economic development arm, the Capital Regional Economic Development Corporation. We continue to appreciate and support the Chamber's programs for the betterment of our multi-county area.

Our gratitude is also extended to Waypoint Bank, the Platinum Sponsor today, and to all of the Gold, Silver and Bronze Sponsors, and to the Media Sponsor --- WHP CBS 21 and WLYH Channel 15.

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And thanks to all of you for attending. The Chamber advises every seat was sold and that this is record attendance. We are honored by your presence.

**We meet at a time when our Nation is at war. On the ground and in the air --
- and at sea --- America's military forces ---- joined by those of the United Kingdom
and Australia --- are advancing in Iraq.**

**By their efforts, the long-suffering of people of Iraq will be freed of the
oppression under which they have lived for more than two decades. And by their
efforts, we shall remove a dictator and a regime whose mission and mischief have
long represented a threat to the security of America, the world and to the Middle
East.**

**We hope for an early success and for the safe return of our men and women
in our Nation's uniform and those of coalition forces.**

**We thank them and their families for their service and their sacrifice. We
extend our hearts and our minds to those who have given the ultimate sacrifice.**

**This is America. Freedom of speech is one of our precious rights. Prior to
the start of war, there was much discussion and debate. But now that war has
begun, that debate is over. Now that American Troops are engaged in combat, it is
time to stand in support of their courage and their service to this Nation. It is time
for the Nation to speak as one. We hope for victory....we hope for an Iraq that is
no longer a threat to its neighbors and the world... and we hope for a more stable
Middle East that allows for peace in all its parts.**

In these annual proceedings, the assignment is always the same – to report on the year now past and to speak of the future. We shall do both.

The year 2002 achieved multiple new milestones --- all reflective of the general trend of progress and advancement in the current era.

Last year, the city issued 1,567 building permits. They represent a total of \$269.7 million in new investment, the highest total for any year in city history and eclipses the record set several years ago.

This means that in the current era, Harrisburg has issued a grand total of 28,666 building permits reflective of \$3.1 billion in new investment --- new investment in a city which, when today's efforts first began, was listed by the United States Government as the second most distressed in the Nation.

By the end of last year, the number of businesses on the City's taxrolls had risen to 5,976 --- the highest number ever recorded. It is in sharp contrast to the number which existed not so long ago --- 1,908.

Last year, the crime rate in the City dropped 5.48% over the previous year. The crime of theft---which can involve an item valued at \$10 or \$100---accounted for nearly 52% of the reported crime. The overall multi-year cumulative drop in the City crime rate now stands at 54%.

The fire rate in 2002 dropped a remarkable 25% over the preceding twelve-month period. For the third consecutive year, the city experienced not a single fire-related fatality---a new record. Cumulatively, the Harrisburg fire rate has now dropped 76.3%---the lowest ever recorded.

Economic development in the City has continued at a steady and sustained pace.

Very soon, the 16-story office tower with interior parking will be underway at 17 North 2nd Street, next to the Hilton. Its 270,000 square feet of new space includes 8 floors of Class A office space in a city where the Class A occupancy rate is now averaging 97%.

Groundbreaking was held last year at 211 North Front Street for the new 187,000 square foot Class A office complex, with 8 aboveground floors, which will become the new home of the Pennsylvania Housing Finance Agency and its 250 staff. It opens this year.

Last April 15th, a new 34,000 square foot office center opened in the 1500 block of North 6th Street --- in a neighborhood corridor that has not seen this level of new private investment in decades. Plans for an additional new office center of 136,000 square feet in the next block have now been approved.

At the splendid campus of the former Polyclinic Hospital in the Uptown, the new Penn Center Project is proceeding on schedule. The first 75,000 square feet of rented space opens this spring. Additional prospective occupants are looking to take additional space. This is a project of considerable importance as an out-of-the-downtown site that will spin-off major benefits to the surrounding neighborhood areas. The Pinnacle Health System continues to operate health-related facilities south of Polyclinic Avenue.

CREDC is proceeding with a \$5 million structure in the 1400 block of North Cameron Street, where a major computer server operation will subsequently be based.

The Homeland Center --- another of the major employment anchors in the City's Uptown --- is undertaking \$2.4 million in renovations. They are a premier example of a longstanding enterprise that has accommodated its growth within the City, employing neighborhood residents, and providing major benefit to the area around them.

Underscoring Harrisburg's continued growth as the region's financial center, our platinum sponsor, Waypoint Bank, dedicates over \$400,000 in improvements to their downtown headquarters tonight. The Belco Community Credit Union plans a major expansion of their Second Street headquarters, as well. Commerce Bank completed their \$4 million project last year, opening their largest branch bank to-date. M & T Bank, with their acquisition of Allfirst Bank, will be moving their district headquarters to Harrisburg.

Emphasizing the City's evolution into a technology products and services center, Arcus---one of the fastest growing information technology firms in the Nation---expanded their headquarters here and renovated additional space.

In South Allison Hill, where restoration of homes continues year-round, and where job training and family services are providing success in moving unemployed and under-employed into the mainstream workforce, the Mt. Pleasant Plaza---a new

retail center---is nearing completion at 13th and Derry Streets. The site represents \$2 million in neighborhood retail investment and over a dozen new full-time jobs.

In the 300 block of Chestnut Street, the new International House opened last September as a residence and meeting place for students and interns visiting the United States. It adds to the cosmopolitan flavor of downtown.

The downtown continues its exciting resurgence and is today one of the top two restaurant and entertainment sites in the Midstate. In the central business district and citywide, twelve new restaurants have opened or announced their plans to open---adding to the total of those which already make-up the smorgasbord of culinary offerings here.

New commercial and industrial construction can be seen across the City with plans approved for a new 40,000 square foot office center at 1100 South Cameron Street,two more new structures on Industrial Road, ...and a 14,500 square foot office and warehouse in the 1100 block of Cumberland Street.

Reuse of existing buildings, a cost-effective alternative to new construction, preserves existing building stock and the architectural heritage it represents. Renovation is happening citywide...with the N.F. String Co. adding production and machinery space.....H & R Block establishing a financial services center in Allison Hill...Steve Pearlman redoing the vacant complex in the 1100 block of Market Street into an antique, art gallery and residential project...which are but a few of many examples.

The Honor Roll for the past year includes many:

Harristown Realty Development Corporation, Allegheny Electric Cooperative, Collotia Stores, Inc., 114 Office Associates, Commerce Towers, Harris Savings Bank, Goodman Real Estate Partnership, Quackenbush & Associates, Faulkner Pontiac, Pinnacle Health System, The Perakis Family Trust, Consolidated Development Company, Walnut and Third Inc., Allfirst Bank, Verizon, B B & W Associates, Weis Markets, Lenard and Lois Brenner, The Pennsylvania League of Cities, Greg Rothman and The Harrisburg Young Professionals.

It additionally includes:

Transcorps Enterprises, Robert Ensminger, In and Young Pak, Struever Rouse Homes, Bennett Land Development, K Shopping Center Associates, Richard Engle, 200 North Third Inc, Harrisburg Dairies, Olewines, Tony Pascotti, Tom Flynn, John Vartan, The Pennsylvania State Employees Credit Union, Crabtree, Rohrbaugh & Associates, Sutliff Saturn, The One Thirty Company, McNees, Wallace & Nurick, Central Dauphin Realty, SAC Associates, D-E Distribution Corp, Strawberry Square Associates, and many, many more.

In Harrisburg, when we say “Economic Development”, it is much more than commercial and industrial pursuits. It is neighborhood and residential renewal, infrastructure enhancement, historic preservation, tourism promotion, even parks improvements, special events and recreational programs. All determine the factors inducive to retaining and attracting investment. All determine quality of life.

The City's housing initiatives continue unabated. On a vacant track at 24th & Swatara Streets, new homes have been built. All have been sold to new owner-occupants.

At Capitol Heights---in the City's Uptown---where an entire neighborhood is being built on cleared lots, phase one has been highly successful. Phases two and three are now being advanced for at least another 58 new homes, all for homeownership.

Nearby, the builder has just been named by the City to proceed with the build-out of Market Place Townhomes, where another 60 new homes will be the result.

Renovations Company, Incorporated is the vanguard of what we want as a future trend---converting multi-unit structures into single family homes. In the 200 block of Hamilton Street, a 12-unit building will become three individual homes.

The City's Zoning Code was amended more than ten years ago to prevent the conversion of single family homes into multi-unit rental units. It is a means of encouraging homeownership, preserving older and historic buildings, reducing the number of transient leased units and prevents a further exacerbation of demand for on-street parking.

In a four square block area near Sixth and Maclay Streets, the Maclay Street Apartment complex is slated for a massive overhaul and upgrade, from which 104 new homes and 183 restored units will occur. For the first time ever in that project area, 65 of the homes will be for sale to homeowners.

Extensive streetscape improvements---involving antique-styled streetlights, new sidewalks, trees and other upgrades---have now been completed along dozens of blocks along major neighborhood streets known as Capitol Corridors.

Meanwhile, the City continues in its longstanding practice of acquiring vacant but structurally sound homes---bringing about their restoration---and selling them to new, responsible owner-occupants. It is a process that has literally saved hundreds of properties.

Combined, the number of residential units newly built or restored in the current era by City programs exceeds 5,000---making Harrisburg the single largest residential developer in the midstate.

And separately, the Harrisburg Housing Authority continues in the upgrade of public housing, making them attractive, upbeat, places of hope and neighborhoods of new vitality and upward mobility.

Key local partners in these neighborhood renewal efforts have been the Capital Region Community Action Commission---focused on Allison Hill---and now the Wesley Union Community Development Corporation---focused on the Uptown--and the Pennsylvania Housing Finance Agency.

Inspired neighborhood renewal increases property values, attracts private investment and serves to create expanded retail markets.

The Broad Street Market, restored and upgraded in recent time by the City, is a key example. Once over two-thirds vacant, it is today effectively at full

**occupancy, with vendors offering high quality in food, produce and other products--
-with management of the market---which dates from the Civil War---by the Broad
Street Market Corporation, an entity created specifically for this purpose.**

**In community infrastructure and its use---which may be amongst the more
visible aspects of current endeavor and progress---further gains have been shown.**

**The new Olewine Playground at Penn and Dauphin Streets has been
upgraded. This year the Braxton Playground on North Sixth Street and the Vernon
Street Playground on Allison Hill will undergo complete improvements. The
Capital Area Greenbelt is slated for considerable additions to complete its loop
route for walkers and cyclists. The Reservoir Park Bandshell is undergoing a major
upgrade and will be the site of 5 days of free performing arts presentations every
week from June to August.**

**The Harrisburg Parks Partnership---a unique coalition of corporations,
community groups and individual citizens---and the only group of its type in
Central Pennsylvania---have raised more than 85% of a \$535,000 goal for parks
embellishments.**

**The citywide year-round recreation program registered 504,000 attendance
last year. The City's special events recorded 2.3 million attendance --- a new
record.**

**Harrisburg continues to have the largest municipal parks system and the
most extensive recreational and special events programs of any municipality in the
midstate.**

Last year, the Harrisburg High School Boys Basketball Team won the Quad A State Basketball Championship. This year, they won the District Tournament. The Central Pennsylvania Piranha, based on City Island, won the National Championship of semi-professional football in the United States.

The Harrisburg Senators recorded 283,661 fans last year---a new season attendance record , bringing their total multi-season attendance to over 3.8 million. Further, the first two of what will be as many as 50 murals placed in public areas citywide were dedicated. Several more are slated for this year.

The Visitors Information Center in the downtown opened last summer and has become a haven for data and brochures for those who come to Harrisburg and the region. The State Farm Show Complex completed \$76 million in upgrades and expansion---which added 8 acres of new space under-roof --- making it one of the premier exposition centers in the Mid-Atlantic.

The \$80 million renovation and upgrade to the State Museum is underway and will take another several years to complete in phases. Riverside Stadium on City Island is scheduled for major improvements and expansion over the next two years, with design work commencing in several months.

The Whitaker Center commemorated its third anniversary. More than one million people have visited since it opened.

The Whitaker is joined by the National Civil War Museum---the largest museum in the world related to this period of American history---and by the Danzante Cultural Center, the Olewine Nature Center, the Susquehanna Arts

Museum, the Midtown Cinema and the Pennsylvania National Fire Museum --- all facilities newly opened in the past several years. Combined with previously existing sites of historic and tourist interest --- Harrisburg has a critical mass of attractions beyond cities of far greater size.

In the next twelve months, design work will be completed on the National Sports Hall of Fame---to be built on City Island---and for the national Museum of African-American History---two new national-scale facilities to be created in Harrisburg.

The largest ever Armed Forces Day event ever held in Pennsylvania was conducted on City Island last May---and will be repeated this year as a new addition to the City's special events calendar. The Patriot News Artsfest---held over the Memorial Day Weekend---was designated as one of the top eight art events in the United States.

The Harrisburg Transportation Center ---hub for passenger rail and inter-state bus service---is now slated for \$2.5 million improvement. On its premises, a new coffee shop has opened and the Regional Tourism Promotion Agency has made it their headquarters.

The City continues to be a prime proponent of a regional rail transit system. The project has made significant strides in the past year. \$985,000 in grants has been received to move it to the next phase of planning and design. The City has proposed creation of the South Central Area Transportation Authority --- SCATA -

--to be the owner and operator---and has invited the counties and major towns in the region to join its board.

Regional rail service between Harrisburg and Lancaster could begin as early as 2005 with service to Carlisle, York and Lebanon to follow. It is an overdue response to the rapidly growing traffic congestion for which there will never be enough public funds to resolve.

With involvement in this Chamber, regional rail, the South Central Assembly for Effective Governance, Capitol Area Transit, the Tourism Promotion Agency and others, the City strongly continues in a regional role.

Contracts are now being awarded for the Market Street Bridge Project---which will place antique-styled lights on bridge piers, redo the plaza on the East Shore terminus, restore the West Shore lights and signage for the first time since 1972 and light the underside of bridge spans at night to create a dramatic visual effect. The project will take seven months to complete once started this year.

The new City Island Parking Garage opened last year. Outlined in attractive night-lights --- in keeping with the City's waterfront standards---it will connect to the regional rail stop on the adjacent bridge and now offers both parking and bus service from its premises. It is the only inter-modal parking garage in the midstate. An additional parking garage in the downtown is currently being pursued to meet demand that cannot effectively be addressed by mass transit.

An array of other infrastructure projects is in various stages of planning, design or implementation.

The extension of South Third Street to Paxton Street has entered the next phase. Once completed, it will open inaccessible land to development, provide new access to and from the downtown and will dramatically enhance the southern part of the business district---where expanded medical center and research facilities are also contemplated.

The widening of North Seventh Street is also proceeding---to create four lanes where there are now two between Reily and Maclay Streets. When completed, North Second Street will be converted back to two-way traffic to restore some neighborhood tranquility.

Dozens of intersections will receive new traffic signals---some for the first time---over the next three years, with the first installations starting this year. The Market Street Bridge ramps and underpass on City Island will be widened under a project now going into design. A massive streetscape project---to place antique-styled streetlights, planters, new signage and other enhancements---will be ready for bidding by year's end.

The City's Geographic Information System is undergoing additional upgrades, providing overlays of instantly-retrievable information heretofore only available after substantial research.

Last July, the City dedicated its hydroelectric project at the City's Water Treatment Plan --- where 1.4 million kilowatts of electrical energy will each year be generated.

And, last summer, the City repaved 30 streets and alleys and plans to do an equal number this year.

During 2002, the City's Waste to Energy Plant received 104,000 tons of solid waste. Its processing generated 527 million pounds of steam and co-generated 24.7 million kilowatts of electricity. This brings the facility's total to having processed more than 4.6 million tons of trash and producing 15.3 billion pounds of steam and over 903 million kilowatts of electrical power. It has saved 9.6 million cubic yards of landfill space and provided energy equivalent to 870 million gallons of foreign fuel oil---a topic with obvious timely implications.

The present facility will close in mid-June for a complete retrofit. When completed, it will assure long-term trash disposal means for the City and region, eliminate the need to open new landfills and solve the environmental problems of long-term storage of waste in the ground. The City has already received the DEP permit for the retrofit project.

When the first State of the City Address was given, it was outlined then---and has been reaffirmed ever since---that the City's priorities are threefold: economic development, creation of non-tax revenues and a constant effort to improve the operation of government.

In a city where 45% of all real estate is exempt from any form of taxation under state law---and in a state where local governments and school districts are unduly dependent upon regressive real estate taxes---decreasing the reliance upon local taxes is a critical pursuit.

Through some of the various operations already mentioned today, we can report that for a 2003 calendar fiscal year budget that totals \$118 million, less than 18% comes from city taxes.

On the operation of government, a few items are worth noting. Last year, in the streetsweeping operation conducted citywide, the City's sweepers collected 3,062,000 pounds of litter and debris. City crews separately collected another 1,182,900 pounds of illegally dumped debris. Harrisburg is also in the demolition business and last year demolished 47 very blighted structures. Dozens more will be taken down this year.

The City's water system provided 3,256,000,000 gallons of water to its customers. The City's Wastewater Plant, which serves seven municipalities, processed 7,785,000,000 gallons of sewage and stormwater.

Additionally, Harrisburg created its first major web site last year and has continually added to it since. Over 180,000 hits from inquiring persons and entities have thus far been received.

The City is proceeding with the establishment of a Health Bureau, to provide a broadened focus on unaddressed issues of access to basic care and to reduce the costs of health care delivery through efficiency, and elimination of fragmentation and duplication. Its principal mission will be to implement and monitor a comprehensive health care deliver plan. The key partners are the Pinnacle Health System, the Capital Region Health System and the Hershey Medical Center.

The City is additionally establishing this year the Harrisburg Broadcast Network. It will eventually air on two cable television stations, one radio station and an Internet station. Its purpose is to bring an expansive degree of local information about events, people, places and issues. Its scope is the region and not exclusively the City. The studios for production and broadcast are under construction and will open in May.

Amongst the many programs that engage the active involvement of citizens and community groups is the new Weed and Seed initiative in South Allison Hill, where a unique partnership between police and neighbors and businesses is now focused on both crime prevention and economic development. We expect it to be a model for other neighborhoods to follow.

Harrisburg takes seriously its expanded duties in the wake of September 11th. The City's new state-of-the-art Emergency Operations Center is now fully functional. It is a highly comprehensive center for coordination, communications and resource deployment---all acting on real time data.

Harrisburg's roles on matters of Homeland Security extend far beyond its borders. The City is the statewide administrator of Pennsylvania Task Force One -- - one of 27 designated federal Urban Search and Rescue Units. It was the first team dispatched to the World Trade Center collapse on September 11, 2001.

As a result of the success of the First Task Force---which is deployable to any place in the world---a Second Intra-State Task Force --- for response solely within Pennsylvania--- has been created by the State. Additionally, a new Water Rescue

Strike Team One --- capable of handling water-related emergencies anywhere in the State --- is now operational. Harrisburg administers both of these recent additions to the Pennsylvania Emergency Management System.

In a related matter, the City has acquired two new aerial fire towers, both of which are now in operation with the latest advanced equipment.

In the area of community services, the City continues to be the most engaged municipality in the region in matters of affordable housing and sheltering the displaced. As a result of a joint effort by the City, County and human service providers, a second major grant---for \$1,088,000 --- has been approved for not just providing short-term shelters but, far more importantly, for intensive counseling, rehabilitation and job training to end cycles of poverty, dependency and homelessness.

For last year, city efforts have attained notable recognition on international, national and regional scales.

The City's water system has attained the National and State Partnership Awards for Safe Water. The Pennsylvania Chamber of Business and Industry has named the City and the Capital Region as Pennsylvania's outstanding community. The Harrisburg History Project --- which includes the placement of pedestrian-level placards marking city historic sites--- has received the Historic Harrisburg Preservation Award.

The Harrisburg Magazine Poll named Harrisburg the Best Place to Live and the City's Kipona Festival as the Best Major Event.

For the fifteenth consecutive year, The Tree City USA Award has been received, the highest community conservation recognition. For the fifteenth consecutive year, the City has received the Highest National Award for Financial Reporting and Accounting and for the twelfth consecutive year, the Highest National Award for Budgeting. There are nearly 2,600 municipalities in this State. Only two have received both.

The Harrisburg Police Bureau once again was designated for National Police Accreditation, the highest recognition in the country in law enforcement. The City's Melrose Gardens Housing Project received the Bellamy Award from the Pennsylvania Housing and Redevelopment Agencies' Association, their highest recognition.

The United States Drug Enforcement Agency issued Harrisburg their commendation for the undercover work done to deal with the illegal trafficking of drugs. The City's Vehicle Maintenance Center and its Director received the Top International Award from the Association of Fleet Administrators for the City's innovative vehicle purchasing program, which cuts purchase costs by 10 to 15%. Harrisburg has allowed other municipalities to use the same program, saving them money as well. Over \$6 million has been saved for local taxpayers as a result.

In all, over three dozen awards were received by City agencies last year, including recognitions for the City's special events and recreation activities. This is a city which strives for excellence in service and performance and that shall remain our ideal.

Finally, we draw attention to an extraordinary evolution that is the product of high endeavor in recent day. Harrisburg, in the current era, has become the region's center for commerce, finance, transportation, the arts, special events, recreation and history---and equals our most celebrated other regional sites in tourism, sports and entertainment.

Now the City is becoming an educational center, as well. It is a development with considerable long-term beneficial impact. A marriage of education, workforce development, new technologies and the public and private sectors has the potential of being the single most significant advance of this or any other period in the City's and region's history.

Harrisburg Area Community College --- a commuter school with main campus in Uptown Harrisburg on land donated by the City --- last year opened its Community Center for Technology and Art in the former AMP world headquarters site on North Fourth Street. It has been a resounding success.

Its new master plan involves expansion into another full square block area, where new facilities, open plaza areas and laboratories will exist. Nearby, the first city-based college student housing is anticipated, which will measurably add to the life and vitality of the Third Street Corridor in the Midtown -- a corridor where considerable renovation, restaurant, retail and the Broad Street Market improvements have already produced noted success.

Messiah College has instituted its Harrisburg Institute Project, through which some of its students will reside in Harrisburg, conducting their studies, performing community internships and becoming directly engaged in civic life.

The Dixon University Center, the Penn State Downtown and Eastgate Centers and Temple University continue to maintain their degree programs at their Uptown and Downtown campuses respectively.

The Saint Stephen's School in the Downtown has embarked on an excellent project that converts a four-story building into new classrooms, utilizing "green" building standards.

The planned new university in Harrisburg – The Harrisburg Polytechnic Institute --- has achieved major new steps. The Commonwealth has committed the first \$12 million toward capital costs, with more expected later. The Institute's Preparatory School and Technology Business Incubator will be placed in the 72,000 square foot vacant building in the 200 block of Market Street, once used as the YWCA site. The \$7 million renovation work starts soon and facilities will be open by late spring next year.

There, high school-level students will be accorded a national class education with emphasis on math, science and technology. The incubator component will serve to help start, nurture and expand technology-based companies, including those pursuing the innovations and creations of the institute and its students and faculty.

The Institute is founded on the recognition that technology is the engine that will drive the 21st Century economy. Its curriculum will be focused on meeting not only workforce and employer needs but to spawn research, advances, invention and new applications that propel American ingenuity in being the world's technology leader.

In its certificate, undergraduate and graduate-level degree programs, the Institute is intended to attract the best and the brightest of students and the businesses that seek to retain them.

Providing competitive technology training and education is the means of achieving the Institute's mission of becoming a national class technology center – a facility of high long-term significance to the future economy of this city and region.

Equally exciting is the work now well underway to reform and improve urban public education. Over many years, a culture of dysfunction created a school system that denied children a proper education, drove away families with children, increased the costs to taxpayers, and robbed a community of its potential and its future.

It was a school system that failed to provide textbooks, could not issue report cards, had daily disruptions in the classrooms, saw the pilfering of equipment, was mired in personal patronage and nepotism, lacked the discipline and order to do the most basic tasks and inexplicably eliminated the educational programs that offered the best hope for students.

Today arduous across-the-board and systematic changes are occurring.

For at-risk students and those with special needs, the Alternative Education Academy was established and has proven successful. Students once discharged from school for the convenience of the system are now in a structured learning environment.

An aggressive, on-going anti-truancy initiative involves patrols that seek out students without proper leave. The new After-School Program --- in truth, an extension of the school day---offers tutoring, mentoring, help with homework, good supervision and a hot meal in the afternoon hours when students would otherwise be out of school with no parent yet at home.

The Early Childhood Program began last September and will expand each of the next three years. It is for every 3, 4 and 5 year old in the City. Every analysis confirms that the earliest years are the most formative in a child's life. The early childhood centers are not day care facilities. They prepare children for the first grade and for a lifetime of learning and success.

The Math and Science Academy has been re-established, from which many of the students for the Polytechnic Institute Prep School will eventually come.

A new districtwide emphasis on literacy continues. Reading is the most fundamental of subjects. A good reader will do well in all the other subjects taught at school. A student deficient in this skill will fall and stay behind.

There is an equal emphasis on the professional development and training of teachers and administrators and with this, work is underway to standardize the curriculum used in all grade levels.

That curriculum is augmented by a variety of real-life experience instruction, such as the Risk Watch Program --- taught by trained city firefighters -- on protecting oneself from all manner of risk and adverse circumstance.

A dozen police officers remain assigned to the School Resource Unit --- assigned to all schools every school day --- to not only maintain an atmosphere conducive to learning and teaching but to also assist in student projects and to teach the DARE classes.

The District administration has been reorganized, new senior staff appointed, and performance standards established and enforced. Millions of dollars, lost to the District by negligence in past years, have been recouped. Some operating expenses, such as those related to energy costs, have been reduced --- with funds redirected to educational programs. Tax credit and other incentive programs are in place, which have received the participation of major local firms, to fund early childhood and other new initiatives. More companies are invited to join now.

The long-outdated vocational technical program is now being upgraded and will undergo a further massive restructuring under a master plan now in formation.

Upgrading the Harrisburg School District is a multi-year effort. There is no magic overnight means of eliminating many years of progressively worsening conditions.

Progress has thus far been achieved, with the clear expectation that this shall expand in coming days. Last year, only 79% of eligible students took the state proficiency tests. This year, it was 96.8%. There are now eight hundred more

students attending city schools than two years ago. At Harrisburg High School alone, there is a 21% increase over the number of students from last year. Some parents who placed their students elsewhere are now sending them to city schools.

The priority shall remain on academics but the things which bring identity and pride to students and schools, are also a matter of focus. The United States Naval Junior ROTC Program has expanded and has its own wing at the High School. The High School Band has also expanded. The District's Athletic and Sports Program is slated for a major expansion to involve more students in more sports --- a proven means of enhancing academic success by building individual student skills and spirit.

All these initiatives and gains have been accomplished without a tax increase.

An improved system of public education assures the future, attracts and retains families with children, increases homeownership, improves property values and property owner equity, and serves to attract and retain businesses and jobs needing the skills of a trained and prepared workforce.

All these endeavors --- for the City, for the region and for education --- represent an historic crusade --- a crusade to forge a bright and promising future --- a crusade to have this capital city and the capital region realize its full potential.

It is a crusade of historic proportion --- for what is happening today in Harrisburg, Pennsylvania --- amidst a difficult national economy, a war overseas, and burdensome constraints on the resources of government --- is nothing less than

determining the viability of American cities and urban public education in the 21st Century in America.

Harrisburg is a city making history---a city that now plays a major regional role --- a city whose best days are soon before it. It is a city where divergent people and institutions are united in common cause for high public purpose and where the best ideals of a nation are the guiding principles of determined and undaunted vision, daring and effort.

That is the State of the City. May God bless this city, our region and our troops and may God bless the United States of America, the Greatest Nation on this earth.